Yukon Economic Accounts

1977 to 1987

July, 1989

The Yukon Government
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PREFACE

With the release of 1986 provincial income and expenditure accounts data, Statistics Canada had published for the first time separate economic accounts information for the Yukon and Northwest Territories. This release of territorial income and expenditure accounts data covers the years 1977-1987, and is the result of a joint project undertaken over the past five years by Statistics Canada, the Yukon Bureau of Statistics, and the NWT Bureau of Statistics. During that time, Statistics Canada staff completed the required accounts data development work for each territory. Ongoing input to project planning, as well as assistance with data collection, review, and evaluation, were provided by the territorial governments.

Also included in this release are preliminary 1988 figures for Territorial Income, Territorial Gross Domestic Product, and Territorial Gross Expenditure.

Statistics Canada staff directly responsible for that agency's work on the territorial income and expenditure accounts project include Barbara Clift, former Director of Income and Expenditure Accounts Division, and Joel Diena and Jean-Francois Carbonneau of the Provincial Accounts Unit. Support for the project was provided by Stewart Wells, Assistant Chief Statistician for National Accounts and Analytical Services, and by former Assistant Chief Statistician, Guy Leclerc. The staff of the Yukon Bureau of Statistics under its Director, Glenn Grant, expended considerable time and effort on behalf of the project, as did NWT Bureau of Statistics staff under the direction of Dr. Ralph C. Joyce, Territorial Statistician.

INTRODUCTION

Overview

This publication presents data based on Statistics Canada's first release of Yukon Economic Accounts and covers the period 1977-1987. This introductory section explains what income and expenditure accounts are, what they include, how they are organized, and suggests some uses of the Accounts information.

Following this introduction, a report on the highlights of the Accounts points out and indicates the significance of overall trends in the eleven years of complete data presented. The tables of the Yukon Economic Accounts for the period 1977-1987 are presented after the highlights section. Explanatory notes for the tables follow in the final section of the report.

Description of the Accounts

The Yukon Economic Accounts form a system of statistical information which summarizes the operation and characteristics of the territorial economy over time. The concepts underlying the development and organization of these Accounts (production, income, consumption, capital investment, and savings) are key variables in macroeconomic analysis. The fundamental data of the Accounts are measures of income resulting from economic output and measures of expenditure by the final users of that output. The revenue and expenditure of government are also presented, along with the income, spending, and saving of individuals and unincorporated businesses.

The Accounts are compiled on a "domestic" (as opposed to a "national") basis. The domestic approach to estimating economic output counts all production occurring within the geographic boundaries of Yukon Territory as Yukon production regardless of the residency of the factors of production; whereas the national approach assigns factor payments in accordance with the factor's place of residence. Territorial gross domestic product thus includes payments for work performed within the Yukon by non-resident economic agents, and it excludes payments for production outside the Yukon received by Yukon residents.

What the Accounts Include

At the heart of the system of Accounts is the concept of "economic production". Territorial Gross Domestic Product (Table 1) and Gross Territorial Expenditure (Table 2) are designed explicitly to measure the value of the Yukon's total production of goods and services. The rest of the tables in the Accounts break down the components of the data in the first two tables and, in so doing, build up a major system of statistics which traces the flow of all income and expenditure transactions underlying the production and distribution of the territory's total output.

"Economic production" is defined essentially to include the production of goods and services which are exchanged for money in the market economy (including transactions of governments and non-profit institutions). There are three major exceptions to this rule: (a) illegal transactions are not included; (b) purchases and sales of used assets are not included; (c) some activities which result

in the production of useful goods and services but which are not exchanged for money in the market economy are included with an imputed value given them for purposes of these Accounts. Illegal transactions are excluded on the basis of the convention that GDP should include only products that society does not consider illegitimate, not to mention that it would be virtually impossible to trace such transactions in the statistical record.

Transactions involving used goods are excluded because they do not arise from current production; they were produced in previous periods and therefore have already been counted in previous measures of production. The market value of non-market goods with close market substitutes is sometimes estimated or imputed so that their production may be included in measures of economic activity. Estimating market values for such items serves to keep the measurement of economic production comparable in the face of changing institutional or organizational arrangements in the economy. For example, if imputed rents for owner-occupied housing were not included in the accounts, a shift from rental housing to house ownership would register as a decline in economic activity.

This general principle notwithstanding, however, measurement difficulties make it impossible at the present time for the Yukon Economic Accounts to incorporate an imputed value for that portion of output from hunting, fishing, trapping, and handicraft manufacture which is not sold in the market place.

Finally, all transactions in the territorial accounts are presented on a calendar-year basis.

Measuring Gross Domestic Product

Gross Domestic Product (GDP), the overall measure of economic output, may be measured in three ways: the "sum of incomes" approach, the "sum of expenditures" approach, and the "sum of net values added" approach. Only the first two approaches are used in preparation of income and expenditure accounts.

Net Territorial Income and Territorial Gross Domestic Product aggregates (Table 1) are constructed using the sum of incomes approach. The territorial income is made of the sum of all incomes arising in productive activity, representing the earnings of the factors of production—land, labour, capital, and entrepreneurship. These earnings take a variety of forms: (a) wages, salaries, and supplementary labour income; (b) corporation profits; (c) interest and miscellaneous investment income; and (d) income to unincorporated business.

Net income thus excludes such non-factor costs of production as capital consumption allowances and indirect taxes net of subsidies—costs which enter into the market prices of goods and services. GDP is "gross" in the sense that the costs of consuming capital are added into the "market price" valuation of production; moreover, indirect taxes (less subsidies) which also represent a part of the market price of goods and services, and which are not a part of factor earnings, are included in GDP. So capital consumption allowances and indirect taxes less subsidies are added to Net Territorial Income to yield GDP at market prices.

Table 2 uses the sum of expenditures approach to estimate Gross Territorial Expenditure (GTE) which, conceptually, is identical to GDP since each is defined as a measure of the total production of goods and services at market prices. In the sum of expenditures approach, the measurement of economic production is arrived at by tracing the disposition of final output through the various channels in which it is used.

There are four major types of users of territorial production identified in these Accounts: consumers, government, business enterprise, and non-residents. Since all economic output is used up either for consumption or capital formation, the sum of these expenditures accounts for total production. The first step to estimating total expenditure is to calculate final domestic demand, the sum of all sales to final users of goods and services within the Yukon. Then to compute GTE, investment in inventories along with net exports plus the residual of estimate are added to final domestic demand.

The GDP figures presented in these Accounts measure the current dollar (nominal) value of goods and services produced in the Yukon. Changes in GDP therefore reflect changes in both production volumes and prices. At present, constant dollar (real) estimates of territorial GDP, which eliminate the effects of price changes when measuring economic output, are not available. Also, estimates of GDP by industry and estimates of imports and exports have yet to be prepared.

Uses of the Accounts

Income and expenditure accounts provide a tool for monitoring current trends in economic production, forecasting economic activity, assessing the sources of economic growth or decline, and for econometric model building. Further, the historical aspect of the accounts provides an overview of changes occurring in the territorial economy, while the correspondence of the Yukon statistics with published provincial and national income and expenditure accounts figures allows for useful comparisons.

Organization of the Accounts

Yukon income and expenditure accounts information for the period 1977-1987 is presented in the sixteen tables included in this report. Tables 1 and 2 present the income and expenditure approaches to estimating GDP. Tables 3 through 8 detail the revenue and expenditure of the government sector as a whole; for the federal, territorial, and local governments separately; and for hospitals and the Canada Pension Plan. Tables 9 through 15 itemize government revenue and government transfers to persons and business. Table 16 presents the sources and disposition of personal income.

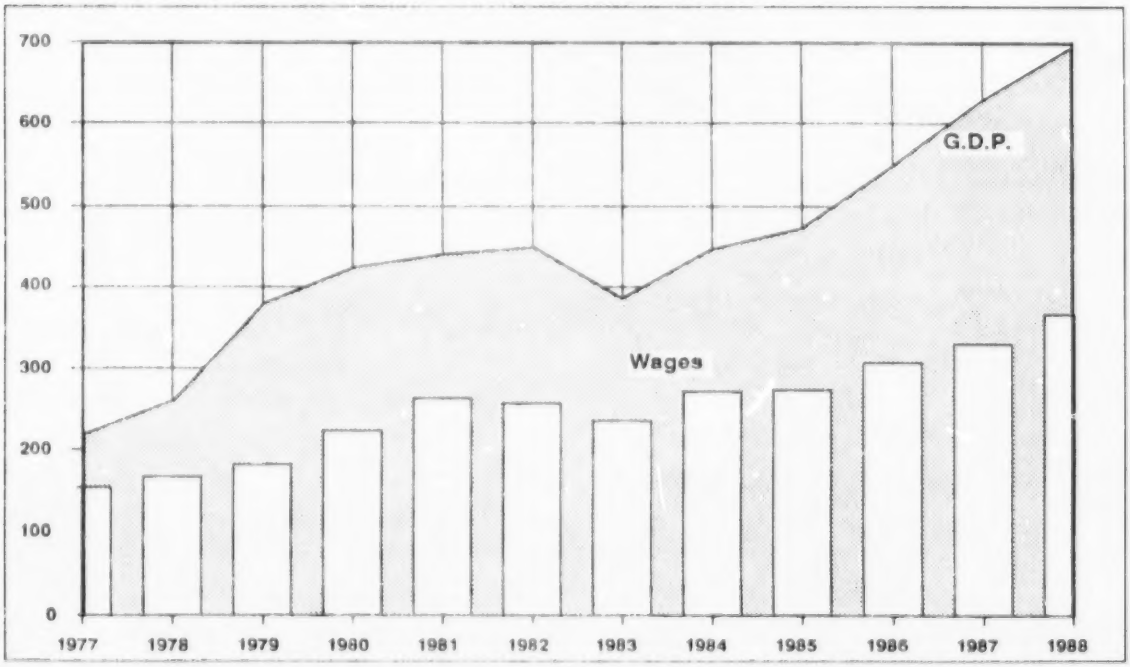
Preliminary 1988 Figures for:

- ❒ *Territorial Income*
- ❒ *Territorial Gross Domestic Product*
- ❒ *Territorial Gross Expenditure*

TERRITORIAL INCOME AND TERRITORIAL GROSS DOMESTIC PRODUCT, THE YUKON 1988 *(all figures in millions of current dollars)*

Wages, Salaries and Supplementary Labour Income	366
Corporation Profits Before Taxes	73
Interest and Miscellaneous Investment Income	57
Net Income From Non-Farm Unincorporated Business, Including Rent	30
Inventory Valuation Adjustment	-4
Territorial Net Domestic Income at Factor Cost	522
Indirect Taxes Less Subsidies	25
Capital Consumption Allowances and Miscellaneous Valuation Adjustments	148
Territorial GDP at Market Prices	695

Note: These figures are preliminary and subject to revision.



GROSS TERRITORIAL EXPENDITURE, THE YUKON 1988

(all figures in millions of current dollars)

Personal Expenditure on Consumer Goods and Services	**389**
Goods	**225**
Services	**164**
Government Current Expenditure on Goods and Services	**330**
Gross Fixed Capital Formation	**206**
Government	**104**
Residential Construction	**0**
Non-Residential Construction	**91**
Machinery and Equipment	**13**
Business	**102**
Residential Construction	**24**
Non-Residential Construction	**41**
Machinery and Equipment	**37**
Value of Physical Change in Inventories	**-29**
Government	**0**
Business	**-29**
Net Exports plus Residual of Estimate	**-201**
Gross Territorial Expenditure at Market Prices	**695**
Final Domestic Demand	**925**

Note: These figures are preliminary and subject to revision.

HIGHLIGHTS

TERRITORIAL GROSS DOMESTIC PRODUCT AT MARKET PRICES

The Yukon's territorial gross domestic product (GDP) increased in nominal terms from $218 million in 1977 to $630 million in 1987. The annual growth rate of territorial GDP during this period averaged 12 percent, compared with the national average of 9.8 percent.

After adjusting for the substantial inflation experienced during this period, the average annual growth in Canada's GDP was 3 percent. At present it is impossible accurately to measure territorial GDP inflation because a Yukon-specific price deflator has not yet been formulated. A rough estimate of real economic growth in the Yukon may be obtained by applying the national price deflator to the territorial data; this yields an estimate of 5 percent per annum.

The cyclical nature of the Yukon economy is reflected in the wide swings in year-to-year rates of economic growth, which ranged from a high of 45 percent in 1979 to a low of -14 percent in 1983.

Territorial Income at Factor Cost

Most of the components of territorial net domestic income (NDI) rose steadily throughout the period under review. The largest component—wages, salaries, and supplementary labour income—constituted an average of over 78 percent of income and grew from $156 million in 1977 to $332 million in 1987 with only one decrease, in 1983. Interest and miscellaneous investment income, the second largest component on average, grew steadily from $13 million to $47 million, and its share of territorial NDI increased from under 8 percent to over 11 percent.

Corporation profits before taxes averaged almost 6 percent of NDI but showed extreme gyrations, hitting a high of $105 million in 1979 (34 percent of NDI) and a low of -$29 million in 1983. Indeed, corporate profits were negative in four of the eleven years under discussion. Net income from non-farm unincorporated business (including rent), grew from $11 million to $30 million and exceeded corporate profits in six of the eleven years. The inventory valuation adjustment was negative throughout the period, reflecting the inflation experienced during those years.

Gross Domestic Product at Factor Prices

GDP at factor prices is computed by adding capital consumption allowances and miscellaneous valuation adjustments to NDI at factor cost. Capital consumption allowances, or depreciation, represent the decline in the value of productive capital assets due to such causes as obsolescence, wear and tear, etc. It is calculated on capital used in both business and government. Capital consumption allowances and miscellaneous valuation adjustments rose steadily from $40 million in 1977 to $139 million in 1987.

Gross Domestic Product at Market Prices

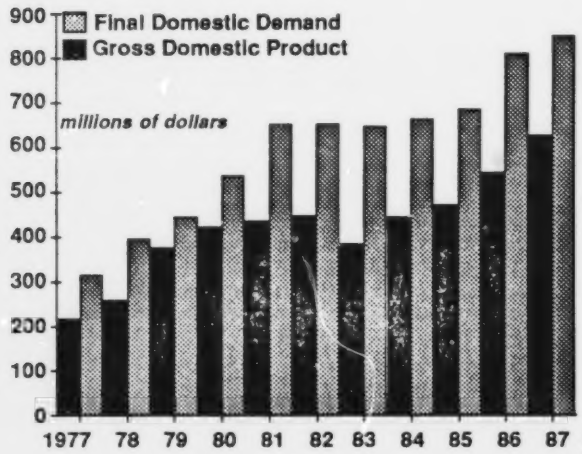
GDP at market prices, the market valuation of the Yukon's economic production, is calculated by adding indirect taxes less subsidies to GDP at factor cost. Indirect taxes rose from $13

million in 1977 to $31 million in 1987 while subsidies rose from $4 million to $10 million.

GROSS TERRITORIAL EXPENDITURE

Final Domestic Demand

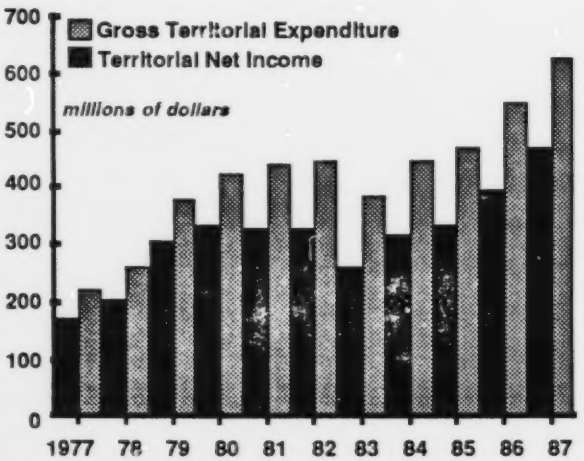
Final domestic demand (FDD) is the sum of all expenditures on current consumption and on



fixed capital investment. Starting at $316 million, FDD rose steadily to $654 million in 1981, then levelled off through 1985 when it stood at $688 million, and finally shot up to $810 million in 1986 and $851 million in 1987.

Spending on current consumption is broken down into two parts—personal expenditure on consumer goods and services and government current expenditure. Personal spending on current consumption increased from $139 million to $358 million, but its share of FDD declined from 44 percent to 42 percent. Government current expenditure was the most rapidly increasing component of FDD, rising from $104 million to $298 million, and in the process increasing its share of FDD from 33 percent to 35 percent.

Gross fixed capital formation is made up of investment spending by business and by government. This figure increased from $73 million in 1977 to a peak of $219 million in 1981, then fell steadily to $131 million in 1985, and recovered to $195 million by 1987. Government investment spending has risen relatively steadily from $27 million to $105 million. Business investment, however, has fluctuated widely—starting at $46 million in 1977, up to $160 million in 1981, down again to $57 million in 1985, and closing at $90 million in 1987. Government's share of total investment expenditures in the Yukon amounted to 37 percent in 1977, 38 percent in 1983, and then jumped to 54 percent in 1986 and 1987. The share of business has fallen conversely.

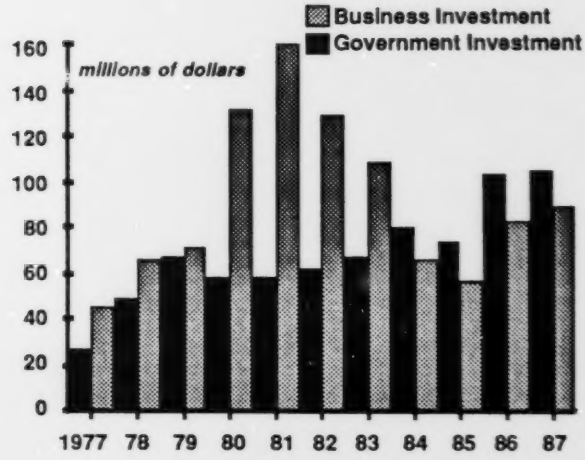


Gross Domestic Product at Market Prices

GDP at market prices, based on the expenditure approach, is equivalent to sales of Yukon-produced goods and services to final users of that production. To calculate GDP at market prices (which is assumed to be equal to the income-approach estimate), two adjustments are made to FDD. First, an inventory investment is added

to FDD. Then, any remaining discrepancy between FDD and GDP is removed by setting it equal to net exports plus a residual statistical error. The latter adjustment was negative and generally increasing throughout the period under review (from $100 million in 1977 to $215 million in 1987), reflecting large net imports into the Yukon as well as a possible underestimate of territorial GDP via the income approach.

Since Statistics Canada does not provide estimates of interprovincial trade data, neither the actual amount of territorial imports and exports, nor their relative amounts, nor the residual statistical error, can be verified.

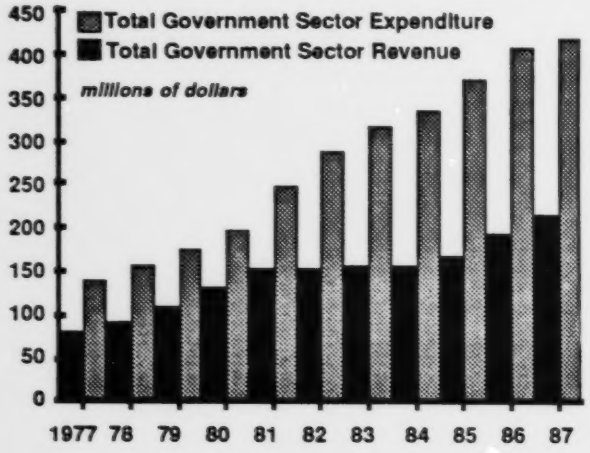


GOVERNMENT SECTOR REVENUE AND EXPENDITURE

Total Revenue

Total revenue accruing to all levels of government in the Yukon increased rapidly from 1977 to 1981 (from $82 million to $155 million), then revenue growth flattened, rising only to $169 million by 1985, and then rose again more sharply to $214 million by 1987. The average annual rate of revenue growth over the entire period was 10 percent. Over half of those revenues came from direct taxes on persons (which includes unincorporated businesses) and corporate and government business enterprises, and over 85 percent of direct taxes were collected from persons. Investment income accounted for an average of 27 percent of government revenues.

An important source of territorial and local government revenue was transfer payments from higher levels of government. Transfer payments from the federal to the territorial government rose from $46 million in 1977 to $174 million in 1987, accounting for an average of 70 percent of territorial government revenues. Transfers from the federal and territorial governments constituted an average of 58 percent of



local government revenues, rising from $3 million in 1977 to $18 million in 1987.

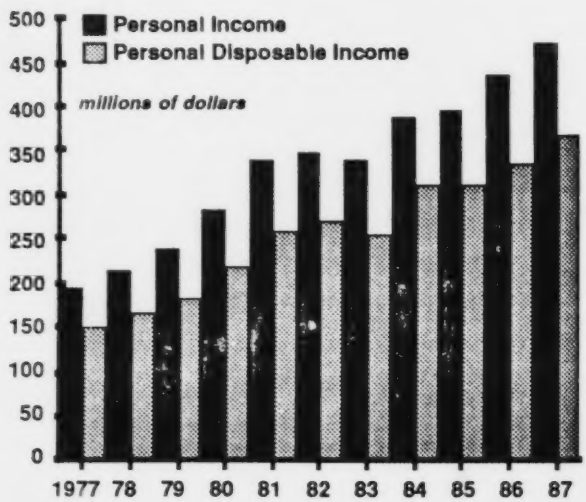
Total Government Expenditures

Government current expenditures, including transfer payments, increased steadily and quickly throughout the period, from $138 million to $420 million for an average annual growth rate of 12 percent. Expenditures on current

goods and services made up an average of 74 percent of total spending, while transfer payments to persons and business (the latter in the forms of subsidies and capital assistance) averaged 18 percent. Interest on public debt took up the remainder of government expenditures.

These expenditures outstripped revenues to such an extent that the government sector's current deficit increased from $56 million in 1977 to $206 million in 1987.

Government investment spending is taken into account by adding investment in fixed capital and inventories and subtracting capital consumption allowances on government-owned capital assets. After these adjustments are made, the government sector deficit increases even more rapidly: from $72 million in 1977 to $251 million in 1987—an average annual growth rate of 14 percent. By far the largest part of these deficits was incurred by the federal government.



SOURCES AND DISPOSITION OF PERSONAL INCOME

Personal income rose in every year except 1983, starting at $195 million in 1977 and ending at $473 million in 1987, for an average annual growth rate of over 9 percent. The proportion of perscnal income comprised by wages, salaries, and supplementary labour income fell from 80 percent in 1977 to 70 percent in 1987, while the proportion due to the second largest component—transfer payments from government to persons—rose from 11 to 15 percent. The other major sources of personal income are: (1) net income of non-farm unincorporated businesses, including rent, and (2) interest, dividends and miscellaneous investment income. The former averaged 5 percent of personal income, the latter 7 percent.

Personal Disposable Income

Personal disposable income (PDI) is found by subtracting personal direct taxes and other current transfers to government form personal income. PDI rose from $150 million in 1977 to $367 million in 1987—an average annual growth rate of 9 percent. Its growth was not steady, however, ranging from a high of 22 percent in 1984 to a low of -6 percent in 1983. An average of 94 percent of PDI was spent on consumer goods and services.

Personal Saving

What is left over from PDI after consumer expenditures, transfers to corporations (i.e., interest on consumer debt), and transfers to non-residents are subtracted is classified as personal saving. This figure has fluctuated severely, reversing its trend in almost every year of the period under discussion. In dollar terms, its high point was $31 million in 1984 and its low was $3 million in 1978. In percentage terms, the savings rate (personal saving divided by PDI) has ranged from over 11 percent in 1984 to just over one percent in 1987.

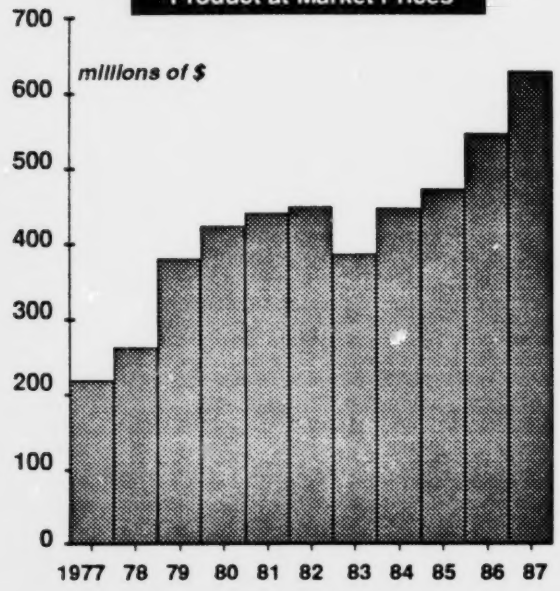
TABLE 1. TERRITORIAL INCOME AND TERRITORIAL GROSS DOMESTIC PRODUCT, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
■ Wages and Salaries and Supplementary Labour Income	332	308	275	272	236	256	263	224	183	169	156
■ Corporation Profits Before Taxes	52	16	-16	-21	-29	15	25	80	105	12	-6
■ Interest and Miscellaneous Investment Income	58	46	51	46	36	43	33	24	20	16	13
■ Accrued Net Income of Farm Operators: Farm Production	0	0	0	0	0	0	0	0	0	0	0
■ Net Income From Non-Farm Unincorporated Business, Including Rent	30	28	24	23	21	16	15	14	12	12	11
■ Inventory Valuation Adjustment	-2	0	-1	-1	-1	-2	-7	-6	-11	-5	-3
■ Net Territorial Income at Factor Cost	470	398	333	319	263	328	329	336	309	204	171
■ Indirect Taxes less Subsidies	21	18	16	14	19	19	20	15	11	11	9
■ Capital Consumption Allowances and Miscellaneous Valuation Adjustments	139	132	124	114	105	102	91	73	59	47	40
■ Territorial Gross Domestic Product at Market Prices	630	548	473	447	387	449	440	424	379	262	220
■ Growth Rate (%)	15.0	15.9	5.8	15.5	-13.8	2.0	3.8	11.9	44.7	19.1	N/A

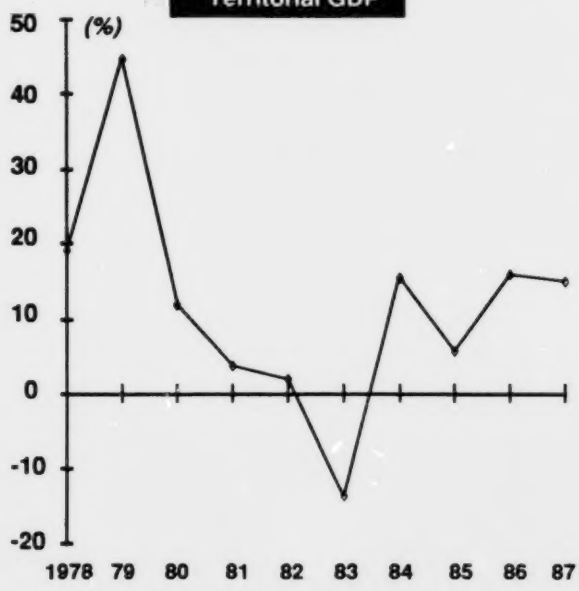
Note: All figures except Growth Rate are in millions of dollars

Charts 1 to 4: (1) Territorial Gross Domestic Product, (2) Growth Rate of Territorial GDP, (3) Corporation Profits Before Taxes and, (4) Wages, Salaries and Supplementary labour Income -- *The Yukon, 1977 to 1987*

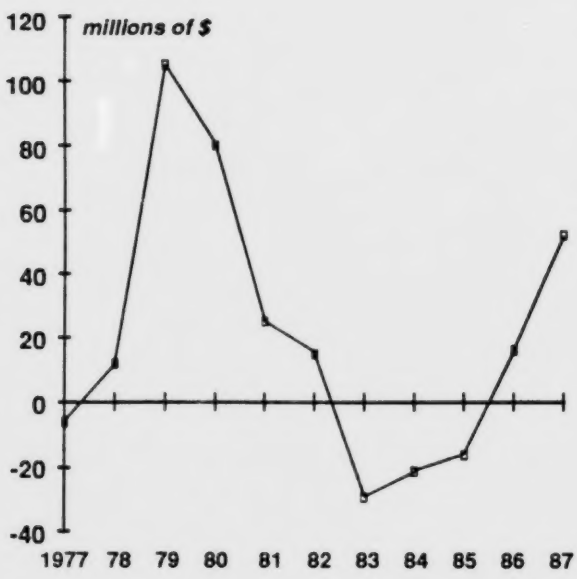
1. Territorial Gross Domestic Product at Market Prices



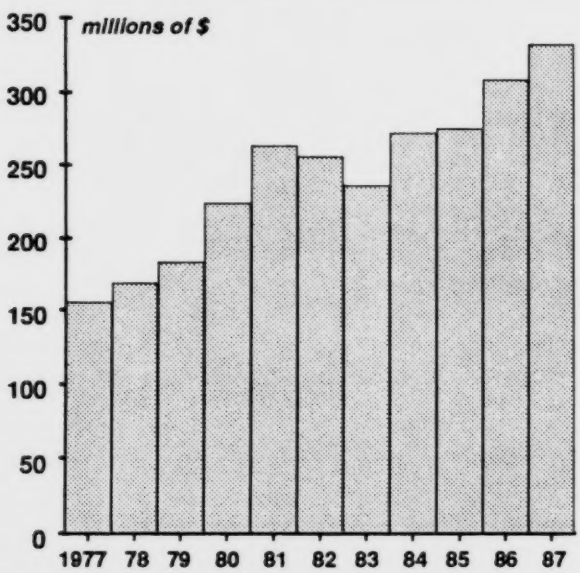
2. Growth Rate of Territorial GDP



3. Corporation Profits Before Taxes



4. Wages and Salaries and Supplementary Labour Income



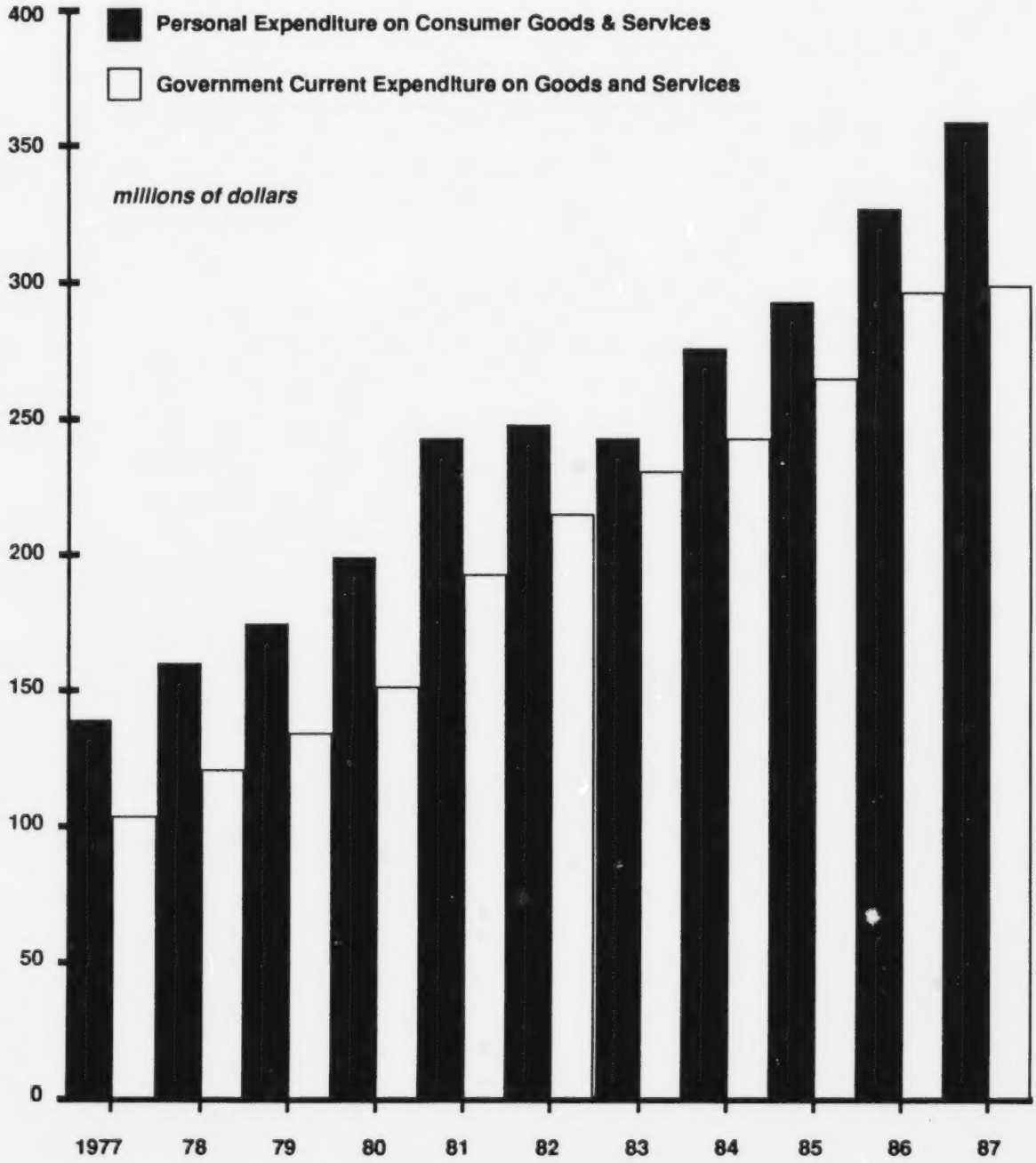
Source: see table 1

TABLE 2. GROSS TERRITORIAL EXPENDITURE, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
■ Personal Expenditure on Consumer Goods and Services	358	327	292	276	243	247	242	198	174	160	139
Goods	208	187	167	159	133	141	144	115	98	92	81
Services	150	140	125	117	110	106	98	83	76	68	58
■ Government Current Expenditure on Goods and Services	298	296	265	242	230	215	193	151	134	121	104
■ Gross Fixed Capital Formation	195	187	131	147	176	193	219	190	139	116	73
■ Government	105	104	74	81	67	63	59	58	67	50	27
Residential Construction	0	0	0	0	2	1	2	0	1	1	1
Non-Residential Construction	92	91	66	66	58	54	49	46	58	39	23
Machinery and Equipment	13	13	8	15	7	8	8	12	8	10	3
■ Business	90	83	57	66	109	130	160	132	72	66	46
Residential Construction	21	18	12	12	10	13	22	22	20	17	11
Non-Residential Construction	29	20	12	31	58	78	93	75	31	37	21
Machinery and Equipment	40	45	33	23	41	39	45	35	21	12	14
■ Value of Physical Change in Inventories	-6	-9	0	-3	-9	10	0	10	-7	2	4
Government	0	0	0	0	0	0	0	0	0	0	0
Business	-6	-9	0	-3	-9	10	0	10	-7	2	4
Non-Farm	-6	-9	0	-3	-9	10	0	10	-7	2	4
Farm and Grain in commercial channels	0	0	0	0	0	0	0	0	0	0	0
■ Net Exports Plus Residual of Estimate	-215	-253	-215	-215	-253	-216	-214	-125	-61	-137	-100
■ Gross Territorial Expenditure at Market Prices	**630**	**548**	**473**	**447**	**387**	**449**	**440**	**424**	**379**	**262**	**220**
■ Final Domestic Demand	**851**	**810**	**688**	**665**	**649**	**655**	**654**	**539**	**447**	**397**	**316**

Note: All figures are in millions of dollars

Chart 5: Personal Expenditure and Government Current Expenditure on Goods and Services --*The Yukon, 1977 to 1987*



Source: see table 2

TABLE 3. GOVERNMENT SECTOR REVENUE AND EXPENDITURE, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
REVENUE											
■ Direct Taxes from:											
Persons	101	96	81	74	82	73	76	61	52	47	44
Corporate and Government Business Enterprises	10	10	6	9	5	7	12	19	17	7	6
Non-Residents	0	0	0	0	0	0	0	0	0	0	0
■ Indirect Taxes	31	27	25	22	25	25	25	19	15	14	13
■ Other Current Transfers from Persons	5	4	4	5	4	4	4	2	3	3	2
■ Investment Income	67	56	53	49	43	45	38	32	25	22	17
■ Total Revenue	**214**	**193**	**169**	**159**	**159**	**154**	**155**	**133**	**112**	**93**	**82**
CURRENT EXPENDITURE											
■ Expenditure on Goods and Services	298	296	265	242	230	215	193	151	134	121	104
■ Transfer Payments to:											
Persons	69	63	61	56	53	41	33	26	27	25	21
Business:											
Subsidies	10	9	9	8	6	6	5	4	4	3	4
Capital Assistance	1	3	2	2	2	2	0	0	0	0	0
Non-residents	0	0	0	0	0	0	0	0	0	0	0
■ Interest on Public Debt	42	37	33	28	27	22	18	15	12	10	9
■ Total Current Expenditure	**420**	**408**	**370**	**336**	**318**	**286**	**249**	**196**	**177**	**159**	**138**
■ SAVING	**-206**	**-215**	**-201**	**-177**	**-159**	**-132**	**-94**	**-63**	**-65**	**-66**	**-56**
■ Capital Consumption Allowances	60	55	50	46	40	35	30	23	19	14	11
■ Investment in Fixed Capital and Inventories	105	104	74	81	67	63	59	58	67	50	27
■ Net Lending	-251	-264	-225	-212	-186	160	-123	-98	-113	-102	-72

Note: All figures are in millions of dollars

TABLE 4. FEDERAL GOVERNMENT REVENUE AND EXPENDITURE, Yukon (1977-1987)

REVENUE	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
■ Direct Taxes from:											
Persons	70	64	55	53	48	47	49	37	43	40	39
Corporate and Government Business Enterprises	7	7	4	7	4	5	9	15	17	7	6
Non-Residents	0	0	0	0	0	0	0	0	0	0	0
■ Indirect Taxes	3	3	2	0	1	2	3	2	1	1	0
■ Other Current Transfers from Persons	0	0	0	0	0	0	0	0	0	0	0
■ Investment Income	48	40	40	39	34	35	30	27	21	19	15
■ Total Revenue	128	114	101	99	87	89	91	81	82	67	60
CURRENT EXPENDITURE											
■ Expenditure on Goods and Services	80	85	86	98	93	91	79	60	45	45	41
■ Transfer Payments to:											
Persons	50	47	46	41	40	31	22	19	20	19	16
Business:											
Subsidies	4	4	4	4	3	3	2	2	2	1	1
Capital Assistance	1	3	2	2	2	2	430	130	270	380	380
Non-residents	0	0	0	0	0	0	0	0	0	0	0
Territorial Government	174	170	162	133	119	82	82	74	61	53	46
Local Government	2	2	2	1	1	1	1	1	1	1	1
■ Interest on Public Debt	40	35	31	26	23	18	15	12	10	8	7
■ Total Current Expenditure	351	346	333	305	281	228	201	168	139	127	112
■ SAVING	-223	-232	-232	-206	-194	-139	-110	-87	-57	-60	-52
■ Capital Consumption Allowances	26	24	23	21	19	17	15	12	10	8	7
■ Investment in Fixed Capital and Inventories	24	23	35	40	23	25	22	22	25	21	13
■ Net Lending	-221	-231	-244	-225	-198	-147	-117	-97	-72	-73	-58

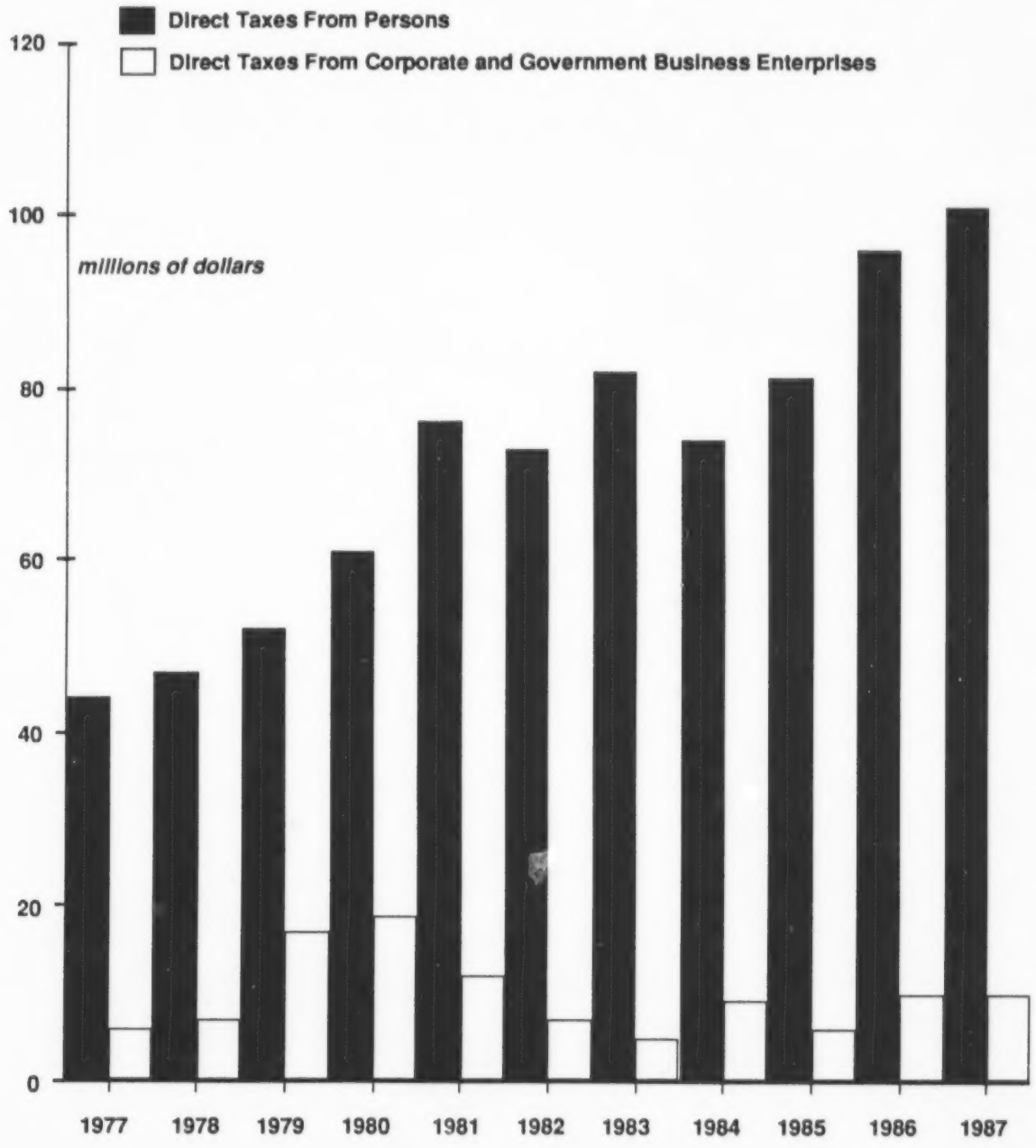
Note: All figures are in millions of dollars

TABLE 5. TERRITORIAL GOVERNMENT REVENUE AND EXPENDITURE, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
REVENUE											
■ Direct Taxes from:											
Persons	23	25	19	15	28	20	21	19	5	3	2
Corporate and Government Business Enterprises	3	3	2	2	1	2	3	4	0	0	0
■ Indirect Taxes	22	18	17	16	17	16	16	13	11	10	10
■ Other Current Transfers from Persons	5	4	4	5	4	4	4	2	3	3	2
■ Investment Income	18	15	13	10	9	9	8	5	4	3	2
■ Transfer Payments from:											
Federal	174	170	162	133	119	82	82	74	61	53	46
Local	1	0	0	0	0	0	0	0	0	0	0
■ Total Revenue	**246**	**235**	**217**	**181**	**178**	**133**	**134**	**117**	**84**	**72**	**62**
CURRENT EXPENDITURE											
■ Expenditure on Goods and Services	199	194	164	129	124	111	103	82	81	70	59
■ Transfer Payments to:											
Persons	15	13	12	13	11	8	9	6	6	5	4
Business:											
Subsidies	5	4	4	4	3	3	3	2	2	2	3
Capital Assistance	0	0	0	0	0	0	0	0	0	0	0
Local Governments	16	11	5	7	6	6	5	5	6	4	2
Hospitals	0	0	0	0	0	0	0	0	0	0	0
■ Interest on Public Debt	1	1	1	1	2	3	2	2	1	1	1
■ Total Current Expenditure	**236**	**223**	**186**	**154**	**146**	**131**	**122**	**97**	**96**	**82**	**69**
■ SAVING	**10**	**12**	**31**	**27**	**32**	**2**	**12**	**20**	**-12**	**-10**	**-7**
■ Capital Consumption Allowances	26	24	21	19	16	13	11	8	6	4	3
■ Investment in Fixed Capital	71	74	32	36	37	35	31	24	27	15	11
■ Net Lending	-35	-38	20	10	11	-20	-8	4	-33	-21	-15

Note: All figures are in millions of dollars

Chart 6: Direct Taxes from Persons and from Corporate and Government Business Enterprises -- *The Yukon, 1977 to 1987*



Source: see table 3

TABLE 6. LOCAL GOVERNMENT REVENUE AND EXPENDITURE, The Yukon, (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
REVENUE											
■ Indirect Taxes	6	6	6	6	7	7	6	4	3	3	3
■ Other Current Transfers from Persons	0	0	0	0	0	0	0	0	0	0	0
■ Investment Income	1	1	0	0	0	0	0	0	0	0	0
■ Transfer Payments from:											
Federal	2	2	2	1	1	1	1	1	1	1	1
Territorial	16	11	5	7	6	6	5	5	6	4	2
■ Total Revenue	**25**	**20**	**13**	**14**	**14**	**15**	**12**	**10**	**10**	**8**	**6**
CURRENT EXPENDITURE											
■ Expenditure on Goods and Services	19	17	15	15	13	13	11	9	8	6	4
■ Transfer Payments to:											
Persons	0	0	0	0	0	0	0	0	0	0	0
Business - Subsidies	1	1	1	0	0	0	0	0	0	0	0
Territorial Government	1	0	0	0	0	0	0	0	0	0	0
Hospitals	0	0	0	0	0	0	0	0	0	0	0
■ Interest on Public Debt	1	1	1	1	2	1	1	1	1	1	1
■ Total Current Expenditure	22	19	17	16	15	14	12	10	9	7	5
■ SAVING	**3**	**1**	**-4**	**-2**	**-1**	**1**	**0**	**0**	**1**	**1**	**1**
■ Capital Consumption Allowances	8	7	6	6	5	5	4	3	3	2	1
■ Investment in Fixed Capital	10	7	7	5	7	3	6	12	15	14	3
■ Net Lending	1	1	-5	-1	-3	3	-2	-9	-11	-11	-1

Note: All figures are in millions of dollars

TABLE 7. HOSPITAL REVENUE AND EXPENDITURE, Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
REVENUE											
■ Other Current Transfers fromPersons	0	0	0	0	0	0	0	0	0	0	0
■ *Investment Income*	0	0	0	0	0	0	0	0	0	0	0
■ Transfer Payments from:											
Territorial	0	0	0	0	0	0	0	0	0	0	0
Local	0	0	0	0	0	0	0	0	0	0	0
■ Total Revenue	0	0	0	0	0	0	0	0	0	0	0
CURRENT EXPENDITURE											
■ Expenditure on Goods and Services	0	0	0	0	0	0	0	0	0	0	0
■ *Interest on the Public Debt*	0	0	0	0	0	0	0	0	0	0	0
■ Total Expenditure	0	0	0	0	0	0	0	0	0	0	0
SAVING											
■ Capital Consumption Allowances	0	0	0	0	0	0	0	0	0	0	0
■ *Investment in Fixed Capital*	0	0	0	0	0	0	0	0	0	0	0
■ Net Lending	0	0	0	0	0	0	0	0	0	0	0

TABLE 8. CANADA PENSION PLAN, REVENUE AND EXPENDITURE, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
REVENUE											
■ Direct Taxes From Persons: Canada Pension Plan	8	7	7	6	6	6	6	5	4	4	3
■ Investment Income: Canada Pension Plan	0	0	0	0	0	0	0	0	0	0	0
■ Total Revenue	**8**	**7**	**7**	**6**	**6**	**6**	**6**	**5**	**4**	**4**	**3**
CURRENT EXPENDITURE											
■ Expenditure on Goods and Services: Canada Pension Plan	0	0	0	0	0	0	0	0	0	0	0
■ Transfer Payments to Persons: Canada Pension Plan	4	3	3	2	2	2	2	1	1	1	1
■ Total Current Expenditure	**4**	**3**	**3**	**2**	**2**	**2**	**2**	**1**	**1**	**1**	**1**
■ SAVING = NET LENDING, Canada Pension Plan	4	4	4	4	4	4	4	4	3	3	2

Note: All figures are in millions of dollars

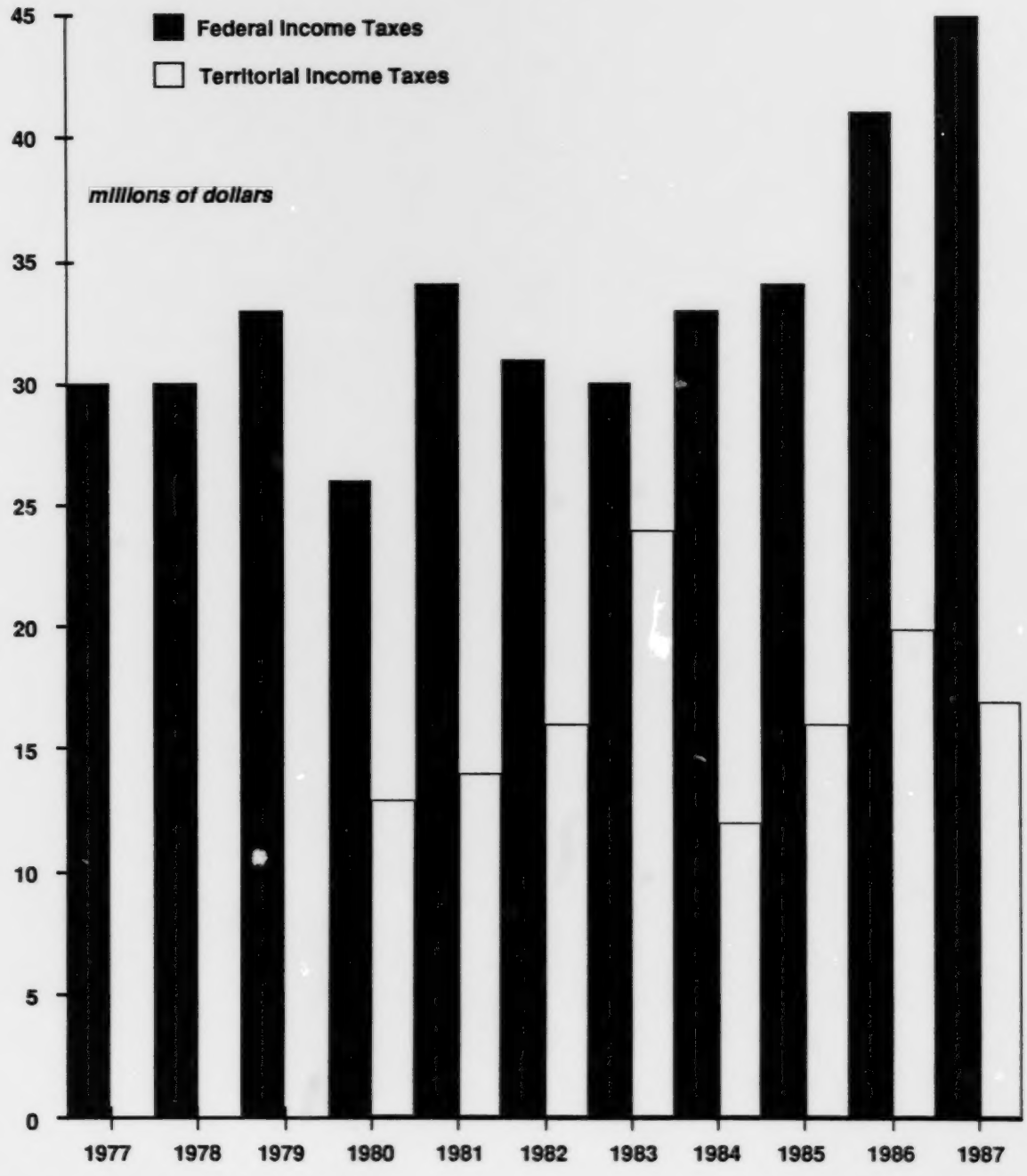
TABLE 9. DIRECT TAXES - PERSONS, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
FEDERAL:											
■ Income Taxes	45	41	34	33	30	31	34	26	33	30	30
■ Succession Duties and Estate Taxes	0	0	0	0	0	0	0	0	0	0	0
■ Employer and Employee Contribution to Public Service Pensions*	13	12	12	11	11	10	9	7	6	6	6
■ Employer and Employee Contribution to Unemployment Insurance	12	11	9	9	7	6	6	4	4	4	3
■ Total Federal	70	64	55	53	48	47	49	37	43	40	39
TERRITORIAL:											
■ Income Taxes	17	20	16	12	24	16	14	13	0	0	0
■ Succession Duties	0	0	0	0	0	0	0	0	0	0	0
■ Employer and Employee Contribution to Public Service Pensions	0	0	0	0	0	0	0	0	0	0	0
■ Employer and Employee Contribution to Workmen's Compensation	6	5	3	3	4	4	7	6	5	3	2
■ Employer and Employee Contribution to Ind. Employee's Vacation	0	0	0	0	0	0	0	0	0	0	0
■ Total Territorial	23	25	19	15	28	20	21	19	5	3	2
■ Employer and Employee Contribution to Canada Pension Plan	8	7	7	6	6	6	6	5	4	4	3
TOTAL	101	96	81	74	82	73	76	61	52	47	44

*Note: *Includes employer and employee contributions of the Territorial Government into the Federal Superannuation plan.*

Note: All figures are in millions of dollars

Chart 7: Federal and Territorial Income Taxes -- *The Yukon, 1977 to 1987*



Note: 1977, 1978, & 1979 Territorial Income Tax = 0

Source: see table 9

TABLE 10. INDIRECT TAXES, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
FEDERAL:											
Customs Import Duties	1	1	0	0	1	1	0	0	0	0	0
Excise Duties	0	0	0	0	0	0	0	0	0	0	0
Excise Taxes and Misc., Indirect Taxes	1	1	1	0	0	1	1	1	1	1	0
Oil Export Charge	0	0	0	0	0	0	0	0	0	0	0
Air Transportation Tax	1	1	1	0	0	0	1	0	0	0	0
Total Federal	3	3	2	0	1	2	3	2	1	1	0
TERRITORIAL:											
Amusement Tax	0	0	0	0	0	0	0	0	0	0	0
Corporation Tax (Not on Profits)	0	0	0	0	0	0	0	0	0	0	0
Gasoline Tax	4	4	4	4	4	4	5	4	3	3	3
Motor Vehicle Licences and Permits	2	1	1	1	1	1	1	1	1	1	1
Other Licences, Fees and Permits	1	1	1	1	1	0	0	0	0	0	0
Misc. Taxes on Natural Resources	0	0	0	0	0	0	0	0	0	0	0
Real Property Tax	4	3	3	3	3	3	3	3	3	2	2
Retail Sales Tax (Includes Liquor and Tobacco)	5	4	3	3	3	3	2	1	1	1	1
Profits of Liquor Commissions	6	5	5	4	5	5	5	4	3	3	3
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0
Total Territorial	22	18	17	16	17	16	16	13	11	10	10
LOCAL:											
Amusement Tax	0	0	0	0	0	0	0	0	0	0	0
Licences, Fees and Permits	0	0	0	0	1	0	0	0	0	0	0
Real and Personal Property Tax	6	6	6	6	6	6	5	4	3	3	3
Retail Sales Tax	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	1	0	0	0	0	0
Total Local	6	6	6	6	7	7	6	4	3	3	3
TOTAL	31	27	25	22	25	25	25	19	15	14	13

Note: All figures are in millions of dollars

TABLE 11. OTHER CURRENT TRANSFERS TO GOVERNMENT FROM PERSONS, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
TO FEDERAL	0	0	0	0	0	0	0	0	0	0	0
TO TERRITORIAL											
■ Motor Vehicle Licences and Permits	1	0	0	1	1	1	1	0	1	1	0
■ Hospital and Medical Insurance Premiums	3	3	3	3	2	2	2	1	1	1	1
■ Miscellaneous	1	1	1	1	1	1	1	1	1	1	1
■ Total Territorial	5	4	4	5	4	4	4	2	3	3	2
TO LOCAL	0	0	0	0	0	0	0	0	0	0	0
TO HOSPITALS	0	0	0	0	0	0	0	0	0	0	0
TOTAL	5	4	4	5	4	4	4	2	3	3	2

Note: All figures are in millions of dollars

TABLE 12. GOVERNMENT INVESTMENT INCOME, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
FEDERAL:											
Interest on Government-Held Public Funds	35	31	27	24	21	17	13	11	9	7	6
Int. on Loans, Advances and Investments	10	10	12	13	13	17	14	13	12	11	9
Remittances from Government Business Enterprises	3	-1	1	1	0	0	0	-1	-1	-1	-1
Royalties	0	0	0	1	0	1	3	4	1	2	1
Total Federal	**48**	**40**	**40**	**39**	**34**	**35**	**30**	**27**	**21**	**19**	**15**
TERRITORIAL:											
Interest on Government-Held Public Funds	7	6	5	4	4	3	2	1	1	0	0
Int. on Loans, Advances and Investments	10	8	8	6	5	6	6	4	3	3	2
Remittances from Government Business Enterprises	1	1	0	0	0	0	0	0	0	0	0
Royalties	0	0	0	0	0	0	0	0	0	0	0
Total Territorial	**18**	**15**	**13**	**10**	**9**	**9**	**8**	**5**	**4**	**3**	**2**
LOCAL:											
Interest on Government-Held Public Funds	0	0	0	0	0	0	0	0	0	0	0
Int. on Loans, Advances and Investments	1	1	0	0	0	1	0	0	0	0	0
Remittances from Government Business Enterprises	0	0	0	0	0	0	0	0	0	0	0
Total Local	1	1	0	0	0	1	0	0	0	0	0
Hospitals	0	0	0	0	0	0	0	0	0	0	0
Canada Pension Plan	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**67**	**56**	**53**	**49**	**43**	**45**	**38**	**32**	**25**	**22**	**17**

Note: All figures are in millions of dollars

TABLE 13. GOVERNMENT TRANSFER PAYMENTS TO PERSONS, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
FEDERAL:											
■ Family & Youth Allowances	3	3	3	3	2	2	2	2	2	2	2
■ Pensions-World Wars I & II	0	0	0	0	0	0	0	0	0	0	0
■ War Veterans' Allowances	0	0	0	0	0	0	0	0	0	0	0
■ Unemployment Insur. Benefits	20	18	20	17	19	14	7	6	8	8	6
■ Prairie Farm Assistance Act	0	0	0	0	0	0	0	0	0	0	0
■ Pensions to Govt Employees	3	3	2	2	2	1	1	1	1	1	1
■ Old Age Security Fund Payments	5	5	4	3	3	3	3	2	2	2	2
■ Scholarships and Grants - Research	0	0	0	0	0	0	0	0	0	0	0
■ Adult Occupational Training Payments	0	0	0	0	0	0	0	0	0	0	0
■ Local Initiatives Program	0	0	0	0	0	0	0	0	0	0	0
■ Miscellaneous and All Other	19	18	17	16	14	11	9	8	7	6	4
■ Total Federal	**50**	**47**	**46**	**41**	**40**	**31**	**22**	**19**	**20**	**19**	**16**
TERRITORIAL											
■ Direct Relief	3	3	3	2	2	2	2	1	1	1	1
■ Old Age & Blind Pensions	0	0	0	0	0	0	0	0	0	0	0
■ Mothers' Disabled Persons' Allowances	0	0	0	0	0	0	0	0	0	0	0
■ Workmens' Compensation Benefits	3	2	2	2	3	2	4	2	2	2	1
■ Pensions to Government Employees	0	0	0	0	0	0	0	0	0	0	0
■ Grants to Post-Secondary School	0	0	0	0	0	0	0	0	0	0	0
■ Grants to Benevolent Assoc.	6	5	4	4	3	2	2	2	1	1	1
■ Miscellaneous	3	3	3	5	3	2	1	2	1	1	1
■ Total Territorial	**15**	**13**	**12**	**13**	**11**	**8**	**9**	**6**	**6**	**5**	**4**
LOCAL											
■ Total Local	0	0	0	0	0	0	0	0	0	0	0
■ Canada Pension Plan	4	3	3	2	2	2	2	1	1	1	1
TOTAL	**69**	**63**	**61**	**56**	**53**	**41**	**33**	**26**	**27**	**25**	**21**

Note: All figures are in millions of dollars

TABLE 14. GOVERNMENT TRANSFER PAYMENTS TO BUSINESS, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
SUBSIDIES											
FEDERAL:											
Agricultural	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	4	4	4	4	3	3	2	2	2	1	1
Oil Import Petroleum Compensation Fund Payments	0	0	0	0	0	0	0	0	0	0	0
Total Federal	4	4	4	4	3	3	2	2	2	1	1
Total Territorial	5	4	4	4	3	3	3	2	2	2	3
Total Local	1	1	1	0	0	0	0	0	0	0	0
TOTAL	10	9	9	8	6	6	5	4	4	3	4
CAPITAL ASSISTANCE											
FEDERAL:											
To Unincorporated Business	0	0	0	1	1	1	0	0	0	0	0
To Incorporated Business	1	3	2	1	1	1	0	0	0	0	0
Total Federal	1	3	2	2	2	2	0	0	0	0	0
TERRITORIAL:											
To Unincorporated Business	0	0	0	0	0	0	0	0	0	0	0
To Incorporated Business	0	0	0	0	0	0	0	0	0	0	0
Total Territorial	0	0	0	0	0	0	0	0	0	0	0
TOTAL	1	3	2	2	2	2	0	0	0	0	0

Note: All figures are in millions of dollars

TABLE 15. CURRENT TRANSFERS TO OTHER LEVELS OF GOVERNMENT, The Yukon (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
FEDERAL											
To Territorial Government:											
Old Age and Blind Pensions	0	0	0	0	0	0	0	0	0	0	0
Disabled Persons Allowances	0	0	0	0	0	0	0	0	0	0	0
Statutary Grants	0	0	0	0	0	0	0	0	0	0	0
Taxation Agreements	0	0	0	0	0	0	1	1	1	1	0
Post Secondary Education	3	2	2	2	2	1	2	2	1	1	0
Health Grants	0	0	0	0	0	0	0	0	0	0	0
Trans-Canada Highway	0	0	0	0	0	0	0	0	0	0	0
Government Contribution under the Hospital Insurance & Diagnostic Serv. Act	6	5	5	5	3	2	2	2	2	2	2
Unemployment Assistance	0	0	0	0	0	0	0	0	0	0	0
Canada Assistance Plan	2	1	3	2	2	2	2	1	1	1	1
Technical & Vocational Training	0	0	0	0	0	0	0	0	0	0	0
Health Resources Fund	1	1	1	1	1	1	1	1	1	0	0
Medicare	0	0	0	0	1	1	1	0	0	1	1
Regional Economic Expansion Payments	1	1	1	0	2	2	2	1	1	0	0
Bilingualism	1	1	0	0	0	0	0	0	0	0	0
Payments to Yukon	158	158	148	118	104	69	69	63	53	47	42
Miscellaneous	2	1	2	5	4	4	2	2	1	0	0
Total Territorial	174	170	162	133	119	82	82	74	61	53	46
To Local Governments:											
Total Local	2	2	2	1	1	1	1	1	1	1	1
TOTAL FEDERAL	**176**	**172**	**164**	**134**	**120**	**83**	**83**	**75**	**62**	**54**	**47**
TERRITORIAL											
To Local Governments:											
School Corporations	0	0	0	0	0	0	0	0	0	0	0
General	16	11	5	7	6	6	5	5	6	4	2
Total Local	16	11	5	7	6	6	5	5	6	4	2
To Hospitals	0	0	0	0	0	0	0	0	0	0	0
TOTAL TERRITORIAL	**16**	**11**	**5**	**7**	**6**	**6**	**5**	**5**	**6**	**4**	**2**
LOCAL											
To Territorial	1	0	0	0	0	0	0	0	0	0	0
To Hospitals	0	0	0	0	0	0	0	0	0	0	0
TOTAL LOCAL	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**193**	**183**	**169**	**141**	**126**	**89**	**88**	**80**	**68**	**58**	**49**

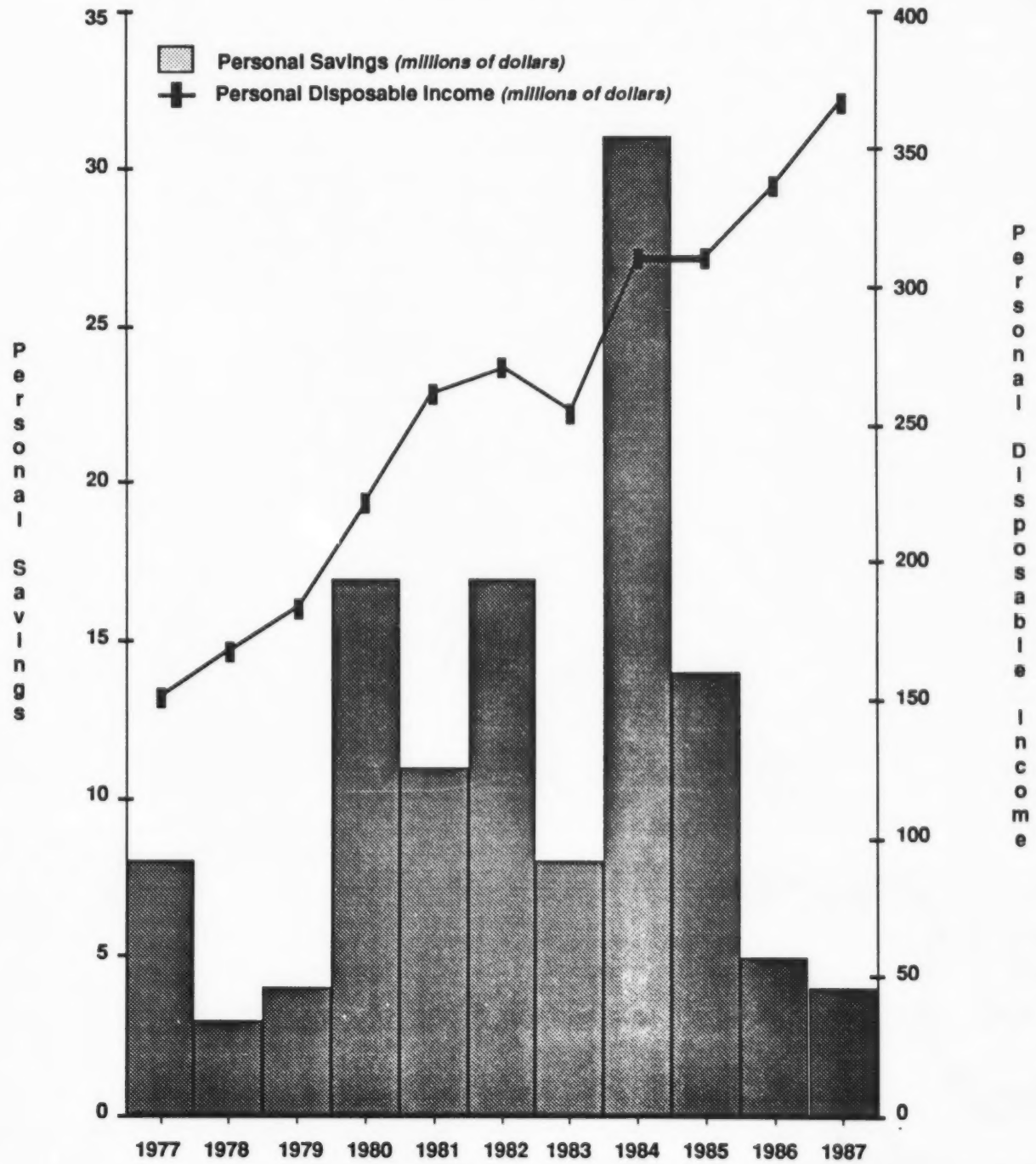
Note: All figures are in millions of dollars

TABLE 16. SOURCES AND DISPOSITION OF PERSONAL INCOME, THE YUKON (1977-1987)

	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
■ Wages and Salaries and Supplementary Labour Income	332	308	275	272	236	256	263	224	183	169	156
■ Net Income of Non-Farm Unincorp. Business Including Rent	30	28	24	23	21	16	15	14	12	12	11
■ Interest, Dividends and Misc. Investment Income	40	35	33	35	27	31	29	20	16	11	8
■ Current Transfers:											
From Government:											
Transfers to Persons	69	63	61	56	53	41	33	26	27	25	21
Capital Assitance	0	0	0	1	1	1	0	0	0	0	0
From Corporations	1	1	1	1	1	1	1	0	0	0	0
From Non-Residents	1	1	1	1	1	1	0	0	0	0	0
■ Personal Income	473	436	395	389	340	347	341	284	238	217	196
■ Deduct:											
Personal Direct Taxes	-101	-96	-81	-74	-82	-73	-76	-61	-52	-47	-44
Other Current Transfers to Government	-5	-4	-4	-5	-4	-4	-4	-2	-3	-3	-2
■ Equals:											
Personal Disposable Income	367	336	310	310	254	270	261	221	183	167	150
■ Deduct:											
Personal Expenditure on Consumer Goods & Services	357	327	292	276	243	247	242	198	174	160	139
Current Transfers to Corp. (Interest on Consumer Debt)	5	4	4	3	3	6	8	6	5	4	3
Current Transfers to Non-Residents	0	0	0	0	0	0	0	0	0	0	0
■ Equals:											
Personal Saving	4	5	14	31	8	17	11	17	4	3	8
Percentage Saving Rate	1.1%	1.5%	4.8%	11.2%	3.3%	6.9%	4.2%	8.6%	2.2%	1.8%	5.3%

Note: All figures except those in the Percentage Saving Rate column are in millions of dollars.

Chart 8: Personal Savings and Personal Disposable Income – The Yukon, 1977 to 1987



Source: see table 16

NOTES

TABLE 1
TERRITORIAL INCOME AND TERRITORIAL GROSS DOMESTIC PRODUCT

Wages and Salaries and Supplementary Labour Income

Wages and salaries consist of all earnings from employment, including payments in kind such as free board and lodging. Also included are payments of commissions, tips and bonuses, and taxable benefits such as vacation and sick leave. Earnings from self-employment or partnership, income from independent professional practice, and farming income are not included in this classification. (See below, Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business.) Wages and salaries are calculated before tax deductions and employee contributions to pension funds, unemployment insurance, and other social welfare programs.

Supplementary labour income includes all other expenditures by employers that can be classified as payment for service, for example, employers' contributions to pension funds, Unemployment Insurance Fund, workers' compensation boards, and Canada Pension Plan.

Wages and salaries and supplementary labour income are also included on Table 16, Sources and Disposition of Personal Income, as the major constituent of personal income.

Corporation Profits Before Taxes

This item is a measure of the net earnings of the corporate business sector. The concept of corporation profits as required by the income and expenditure Accounts differs considerably from accounting profits as reported on company books. To arrive at the figure reported here, corporate book profits before taxes are adjusted by adding back these items: depletion charges, provincial mining and logging taxes, bad debts, and charitable contributions. Although these are legitimate operating expenses as far as business accounting is concerned, they do not represent actual direct costs of production. Capital gains and losses are likewise excluded.

Interest and Miscellaneous Investment Income

Interest and miscellaneous investment income is made up of government investment income and the interest income of persons. Interest income accruing to corporate businesses forms part of the profits of those institutions and is therefore not included here. Interest income of persons (which includes not only individuals, but also private non-commercial institutions, estates, and trust funds) is measured before taxes. Such interest income consists mainly of interest on bank deposits, mortgage and bond interest, as well as the interest income received by certain institutions while acting on behalf of persons; such institutions include life insurance companies, fraternal and mutual benefit societies, and trusteed pension plans.

Government investment income includes the profits (less losses) of government business enterprises, royalties, interest on government loans and advances, and interest on publicly held funds such as government pension and social insurance funds. Table 12 of these Accounts treats government investment income in more detail.

Interest received from holding public debt and consumer loans is, for purposes of the income and expenditure accounts, regarded as a transfer payment rather than income from production, and is therefore excluded from this classification. Since all public debt was issued to finance past government expenditure, and since little of that debt was connected with the purchase of capital assets, most of the interest paid on public debt is not payment for production of currently produced goods and services. Similarly, in the case of interest on consumer debt, consumer spending is regarded as current consumption in these Accounts and as such cannot give rise to investment income. Interest on public debt is shown as a government expenditure in Table 3, Government Sector Revenue and Expenditure, while interest on consumer debt is shown as a current transfer from persons

to corporations in Table 16, Sources and Disposition of Personal Income.

Accrued Net Income of Farm Operators from Farm Production

This category is made up of sales of farm products, plus the imputed value of farm output consumed by the farm family, plus the value of physical change in farm-held inventories, less farm operating expenses and capital consumption allowances on farm buildings and equipment. All transfer payments to farm operators are excluded.

Net Income of Non-Farm Unincorporated Business, Including Rent

Net income from non-farm unincorporated business includes the earnings of working proprietors from their own businesses and the net income of independent professional practitioners. This component, like net income of farm operators from farm production, consists of a consolidation of returns to labour (wages and salaries) and returns to capital (profits and interest) which cannot be separately identified. Thus, a variety of types of factor income are inextricably mixed. Rent includes net rent (either paid or imputed) received from ownership of residential property and net paid rent from ownership of non-residential property. In each case, the net rent equals gross rental income less landlord expenses including capital consumption allowances.

This item also appears as a component of personal income in Table 16, Sources and Disposition of Personal Income.

Inventory Valuation Adjustment

The inventory valuation adjustment is the difference between the value of physical change in business non-farm inventories and the change in the book value of those inventories. This adjustment is made to remove from corporation profits and the net income of unincorporated business any unrealized gains or losses arising from the effects of price changes on holding inventories. Since such effects are automatically eliminated in calculating net farm income, this adjustment is required only for business inventories.

The adjustment is necessary because the Accounts require a different inventory valuation than that employed by business accounting principles. In periods of rising prices, inventory book values frequently include an element of capital gain, thus overstating corporation profits before taxes and net income of non-farm unincorporated business. Conversely, in periods of falling prices, inventory book values can include a capital loss. The inventory valuation adjustment compensates for such changes in capital value unrelated to current productive activity.

Indirect Taxes

Indirect taxes represent a part of the market price of goods and services not received by the factors of production and, therefore, cannot be included in territorial income. Unlike personal taxes and corporation income taxes, which are levied directly on the incomes of factors of production, indirect taxes enter the Accounts as a cost of production. Accordingly, business accounting practices provide a guide as to whether a tax is to be regarded as direct or indirect. Those taxes which represent a business cost or which are incorporated into prices at the retail level are taken here as indirect. They constitute, in effect, taxes on expenditure. By contrast, all taxes which are levied directly on the incomes of factors of production are defined in these Accounts as direct.

Specific indirect taxes levied by the various levels of government are listed in Table 10, Indirect Taxes.

Subsidies

Subsidies are payments by governments toward current costs of production which thereby reduce market prices. For this reason, they must be deducted from factor incomes to arrive at territorial gross domestic product at market prices.

Such payments are made for a variety of reasons: to benefit consumers through lower prices, to protect producers from a decline in the price of their products, to promote certain types of economic production, or to encourage certain socially desirable activities.

Capital Consumption Allowances and Miscellaneous Valuation Adjustments

Production of economic goods and services causes productive assets to lose their value; that is, capital is "consumed" through wear, tear,

and obsolescence associated with economic processes. Since productive assets in the form of capital goods such as machinery, equipment, and buildings are for the most part highly durable goods, this "using up" of productive assets typically takes place gradually over many years. Business therefore customarily charges to each year's operating expenses a depreciation charge designed to cover the costs of the wearing-out of capital assets which has occurred during the accounting period in question. Depreciation, or capital consumption allowances, thus represent business costs which are implicitly included in the market price of goods and services sold to final users, but are not received as income by factors of production. Depreciation charges in the Accounts are calculated for business plant and equipment, housing, and government fixed assets.

It is important to understand that these charges record the annual consumption, not just of the annual additions to the stock of capital assets, but of the total capital stock. The year-to-year gross change in the value of the stock of productive assets is shown in Table 2, Gross Territorial Expenditure, as "Gross Fixed Capital Formation".

Miscellaneous valuation adjustments are two adjustments needed to keep balance between the income and expenditure sides of the Accounts. The first of these adjustments concerns non-capital outlays charged to capital by business. Non-tangible items such as brokerage fees on the purchase and sale of stocks and bonds are sometimes capitalized by business. These outlays are not included in the gross fixed capital formation on the expenditure side and so a negative adjustment must be made on the income side to offset the resultant overstatement of business net income.

The second adjustment relates to the claim portion of business and residential insurance paid out to compensate for fire and other types of losses. For purposes of the Accounts, these are viewed as a form of capital consumption and an explicit entry is made to account for them.These claims, along with the factor incomes generated by the insurance industry (and already included in this Table under "Wages, Salaries, and Supplementary Labour Income"), balance the premiums paid on the expenditure side of the Accounts. No adjustment is made for uninsured losses on business and residential property.

TABLE 2
GROSS TERRITORIAL EXPENDITURE

Personal Expenditure on Goods and Services

This item includes personal expenditure for durable, semi-durable, and non-durable goods, and on a wide variety of services, Purchases of houses are excluded, but an imputed rent on owner-occupied houses is included in both the rental income of persons and in personal expenditure. Purchases of used goods, other than imports, are excluded, except for an estimate of the current factor incomes generated by such transactions (e.g., dealer commissions). Used goods were counted in Gross Territorial Expenditure in the year in which they were originally produced and do not form part of current production.

Government Expenditure on Goods and Services

The value of services rendered by "general government" cannot be measured by the selling price of the services since governments procide services to the community without specific charge. No "market price" exists for valuing the production of general government. Taxes, moreover, cannot be taken as a realistic approximation of the value of these services. The value of government services is therefore measured by the costs or expenses incurred in rendering them. All government expenditure incurred in providing goods and services to the community without specific charge, then, is included in GTE. The corresponding factor incomes and other costs are included in the territorial income and other components of GDP. Where specific fees are charged for government services--e.g., hospital fees, charges for water services--or where government departments sell supplies such as books and maps, the receipts are deducted from government expenditure on goods and services to avoid couble-counting; these amounts will be included in other components of GDP.

Government expenditure on goods and services consists of current non-capital outlays for goods and services by all levels of government, including wages and salaries of government employees. Also included here is an estimate of capital comsumption allowances (depreciation) for government fixed assets. These expendi-

tures refer solely to government current purchases and so do not include any of the following: government purchases on capital account, any of the activities of government business enterprises, government transfer payments, interest on the public debt, subsidies. More details about government expenditures are presented in Tables 3 through 8.

Gross Fixed Capital Formation

This category is defined to include outlays on durable tangible assets with a productive lifetime of one year or more. It is made up of investment by government and business in residential construction, non-residential construction, and machinery and equipment. Expenditures on new construction, machinery, and equipment are included, but not expenditures on used capital assets. Expenditures for land mineral deposits are excluded because they do not represent current production of goods and services. Capital costs associated with mining development involving the acquisition of tangible assets and construction and drilling costs are included, however. Replacements and major alterations of capital installations are also included in gross fixed capital formation, but not ordinary repair and maintenance expenditures.

Value of Physical Change in Inventories

The value of physical change in inventories is defined as the change in the physical quantity of inventories valued at the average market prices of the period. The net change in inventory holdings must be included in gross territorial expenditure to allow for that portion of current production which has not yet been sold (positive change in inventories) or to eliminate that portion of previous years' production which is included in the current year's sales (negative change in inventories).

Because the "book value" of inventories is calculated in accordance with accounting procedures not consistent with the requirements of these Accounts, an adjustment in the inventory valuation must be made. This inventory valuation adjustment has been previously discussed under the notes for Table 1.

Business non-farm inventories represent the largest portion of total inventory holdings in the economy and include inventories of raw materials, goods-in-process and finished products held by corporations, non-farm unincorporated businesses, and government business enterprises.

Net Exports plus Residual of Estimate

Estimates of territorial net exports are the weakest element in these Accounts. Since it is not possible to estimate imports and exports directly, the identity between Gross Territorial Expenditure and Gross Domestic Product (derived in Table 1) was exploited to obtain the figures for this category. Since this category also contains a residual error of estimate, it is subject to a wider margin of error than other income and expenditure items.

Net exports plus the residual of estimate is the difference between Gross Territorial Expenditure (which, as discussed in the Introduction, is identical with Table 1's income-based GDP estimate) and the sum of Final Domestic Demand (see below) and investment in inventories.

Net exports equals the current production of goods and services sold to non-residents (exports) less those purchased from non-residents (imports). Because investment income originating outside the territory but inside Canada is not deducted from the income side, these net export figures represent basically the balance of trade in goods and services only and cannot be treated as a measure of the current account balance. In addition, spending by Canadians outside the provinces or territories of their residence should be treated as exports of those provinces/territories, but data limitations prevent estimation of these expenditures.

The residual of estimate refers to the difference between the expenditure-and income-based estimates of GDP at market prices. Since the value of net exports is not presently estimated in Statistics Canada's provincial income and expenditure accounts program, the GDP at market prices statistic is not actually estimated using the expenditure approach. Furthermore, no estimate of the residual separate from net exports is possible.

Gross Territorial Expenditure at Market Prices

Based on the expenditure approach, gross territorial expenditure (GTE) at market prices represents the domestic sales of current Yukon

output, as well as investment in inventories from current output and the value of net exports from current production. GTE at market prices is set equal to the income-based estimate of GDP at market prices from Table 1.

Final Domestic Demand

Final domestic demand is computed as the sum of: (a) personal expenditures on goods and services; (b) government expenditure on goods and services; and (c) fixed capital investment. As such, it reflects the demand within the Yukon for economic output regardless of where or when that output was produced. For this reason, final domestic demand includes, in addition to expenditures on current Yukon output, purchases of Yukon output produced in the previous year (from inventories) as well as imports (output produced outside the Yukon).

TABLES 3-8
GOVERNMENT SECTOR REVENUE AND EXPENDITURE

The government sector is defined to cover a very broad range of activities carried out directly by the various levels of government or by their agencies. The essential characteristic of those government activities is that they are non-commercial in nature. They are financed for the most part out of taxation or government borrowing. Since government business enterprises are considered to be part of the business sector, their activities are not included here.

Total Revenue

Total government revenue is the sum of: (a) direct taxes; (b) indirect taxes; (c) other transfers from persons; (d) investment income; and (e) transfer payments from other levels of government (if applicable).

Direct Taxes From Persons

This component is made up of direct taxes imposed by the federal and territorial governments; it specifically includes personal income taxes, taxes on the income of unincorporated businesses, capital gains taxes, succession duties and estate taxes, employer and employee contributions to social insurance programs, non-trusteed public service pension plans, and Canada Pension Plan. Direct taxes are mainly levies assessed against persons that take some account of ability to pay.

Direct Taxes From Corporate and Government Business Enterprises

This category consists mainly of taxes on the profits of corporate enterprises, but it also includes a small amount of revenue from taxes on the profits of government business enterprises.

Direct Taxes From Non-Residents

The federal government also withholds direct taxes on income earned by non-residents of Canada. Taxes are payable on several forms of non-resident income, including interest, dividends, rents, and royalties.

More details on direct taxes are provided in Table 9, Direct Taxes—Persons.

Indirect Taxes

Indirect taxes are imposed by all levels of government. More detailed information is provided in Table 10, Indirect Taxes. See also notes to Table 1, Territorial Income and Territorial Gross Domestic Product, under the heading "Indirect Taxes".

Other Current Transfers From Persons

Other current transfers from persons (including unincorporated businesses) pertains to taxes paid out of personal income but not directly based on ability to pay. These include personal payments of motor vehicle licences and permits, health care premiums, and such miscellaous licences as hunting and fishing permits, marriage licences, and a variety of fines and penalties.

Investment Income

Government investment income consist of interest on government-held public funds; interest on loans, advances, and investments; remittances from government business enterprises; and royalties. See Table 12, Government Investment Income, for more details.

Transfer Payments From Other Levels of Government

These transfer payments constitute a significant source of revenue for the territorial and local levels of government. For the aggregate government sector, shown on Table 3, intergovern-

mental transfers are offsetting and therefore do not appear. For a detailed breakdown of these transfers, see Table 15, Transfers to Other Levels of Government.

Total Expenditure

Total government current expenditure is the sum of: (a) current expenditure on goods and services; (b) transfer payments; and (c) interest on the public debt.

Expenditure on Goods and Services

See notes to Table 2, Gross Territorial Expenditure, under the heading "Government Current Expenditure on Goods and Services".

Transfer Payments to Persons, Business, Non-Residents, and Other Levels of Government

Government transfer payments do not measure currently produced goods and services but represent redistribution of income already earned and counted. Detailed breakdowns of these payments are given in Table 13, Government Transfer Payments to Persons; Table 14, Government Transfer Payments to Business; and Table 15, Government Transfer Payments to Other Levels of Government.

Interest on the Public Debt

This category is the total interest paid on the public debt, including payments to the government sector itself. Such payments to the government sector are included on the revenue side under "Investment Income". See Table 12, Government Investment Income, for more details.

Saving

Government saving is the difference between total revenue and total expenditure.

Capital Consumption Allowances

The figure for government expenditure on goods and services includes an estimate of capital consumption allowances but, since no money is actually expended in the depreciation of capital assets, amounts allocated to this expenditure are available to the government for spending. Capital consumptionallowances are therefore added to government saving to avoid understating the amount available to the government for spending (net lending).

Investment In Fixed Capital and Inventories

These amounts are also included in Table 2, Gross Territorial Expenditure, as the government portion of gross fixed capital formation and as government investment in inventories.

Net Lending

Net lending is obtained by subtracting government current and capital expenditure (total current expenditure plus investment in fixed capital and inventory) from the sum of government revenue plus capital consumption allowances. This surplus (deficit, if negative) reflects the financial position of government.

NOTE RE TABLE 7
HOSPITAL REVENUE AND EXPENDITURE

This table shows no income or spending because all hospitals in the Yukon territory are federally administered through Health and Welfare Canada. Their expenditures are therefore included under federal current expenditure on goods and services, shown on Table 4, Federal Government Revenue and Expenditure.

TABLE 9
DIRECT TAXES–PERSONS

Total direct taxes on persons are also included in the calculation of personal disposable income on Table 16, Sources and Disposition of Personal Income. These taxes also appear as sources of government revenue in Tables 3 through 8.

Income Taxes

This category consists of taxes paid on the incomes of persons and unincorporated businesses. Capital gains taxes are also included here as they cannot be separated statistically from the personal income taxes with which they are collected. At the federal level, an adjustment is made to include taxes on the investment income of life insurance companies. At the territorial level, personal income tax is taken as the federal collection of the tax as per the Territorial Tax Collection Agreement.

TABLE 10
INDIRECT TAXES

Total indirect taxes are calculated as the sum of all federal, territorial, and local indirect taxes. Specific taxes collected by each level of government are identified in this table. Indirect taxes are also listed as a source of government revenue in Tables 3 through 8. See also the notes for Table 1, Territorial Income and Territorial Gross Domestic Product, under the heading "Indirect Taxes".

TABLE 11
OTHER TRANSFERS TO GOVERNMENT FROM PERSONS

This category of levies includes various fees charged by government which are paid out of personal incomes but are not based on income. These charges appear as a source of government revenue in Tables 3 through 8 and as a deduction from personal income in Table 16, Sources and Disposition of Personal Income.

TABLE 12
GOVERNMENT INVESTMENT INCOME

Interest on Government-Held Public Funds

This category consists primarily of interest on public debt held by the government itself.

Interest on Loans, Advances, and Investments

These loans, advances, and investments are made to: various crown agencies and corporations, other levels of government, and various government-operated public utility systems and other enterprises.

Remittances from Government Business Enterprises

Remittances from government business enterprises includes the revenue received from profits on the operation of those enterprises. Only that portion of such profits actually remitted to the government sector (net of losses) is included; unremitted profits remain as undistributed profits (or losses) of government business enterprises.

Royalties

Revenues from resource royalties are treated as investment income arising from government ownership of property.

Total Investment Income

Total government investment income is the sum of federal, territorial, and local government investment income. This income is presented as a source of government revenue in Tables 3 through 8, and is included in the category "Interest and Miscellaneous Investment Income" in the calculation of territorial gross domestic product (Table 1). See Tables 3-8, under the heading "Investment Income".

TABLE 13
GOVERNMENT TRANSFER PAYMENTS TO PERSONS

Government transfer payments to persons consist of payments for which there has been no exchange of goods and services. Payments are included from all levels of government and the Canada Pension Plan, as well as pensions paid to government employees. Although interest on the public debt is considered to be a transfer payment, it is not included here due to the difficulty of separating this from other sources of interest income.

These payments appear as a government expenditure in Tables 3 through 8, and as a component of personal income in Table 16, Sources and Disposition of Personal Income.

Miscellaneous and All Other

This item includes transfer payments to persons from the federal Department of Indian Affairs and Northern Development.

Direct Relief

This item pertains to social assistance and day care.

TABLE 14
GOVERNMENT TRANSFER PAYMENTS TO BUSINESS

Subsidies

Government transfer payments to business in the form of subsidies are paid by both the federal and territorial governments. Subsidies are a government expenditure in Tables 3 through 8, and are incorporated in the calculation of territo-

rial gross domestic product in Table 1. See notes to Table 1, Territorial Income and Territorial Gross Domestic Product, under the heading "Subsidies".

Capital Assistance

Government transfer payments to business in the form of capital assistance are made by both the federal and territorial governments. They consist of grants for new construction, or for expanding or otherwise improving existing plant. Capital assistance payments are a government expenditure in Tables 3 through 8. Capital assistance to unincorporated business is also identified as a component of personal income in Table 16, Sources and Disposition of Personal Income.

TABLE 15
CURRENT TRANSFER TO OTHER LEVELS OF GOVERNMENT

Federal transfers to other levels of government consist primarily of federal payments to the territorial government under various shared cost programs, along with general and specific purpose grants. Federal transfers to local governments are relatively small.

Table 3 through 8 detail transfers to other levels of government. In the consolidated government accounts (Table 3), such transfers net out to zero.

Taxation Agreements

This item includes payments to the Yukon Government pursuant to the Public Utilities Income Transfer Tax Act and regulations.

Post-Secondary Education Grants

This category pertains to payments made by the federal government to the Yukon Government for post-secondary education under Part VI, Established Program Financing of the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

Government Contribution Under the Hospital and Diagnostic Services Act

Prior to 1984 the terms and conditions for payment to the Yukon for hospital services were covered under the Hospital Insurance and Diagnostic Services Act (Medicare Care Act in the case of Medicare) with the payment formulae contained in the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

In 1984 the Canada Health Act replaced both Hospital Insurance and Diagnostic Services Act and the Medicare Care Act. In the Canada Health Act medical services are referred to as insured health services. The Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act were also amended and payment is now made for insured health services; no distinction is made between hospital and medical services.

The amounts shown prior to 1984 are the amounts payable for hospital services whereas those after 1984 are the portion of insured health services that can be attributed to hospital services.

Canada Assistance Plan

The Canada Assistance Plan enables federal sharing of costs incurred by the Yukon Government in providing: (a) social assistance to persons in need; (b) welfare services to persons in need and likely to become needy if the services were not provided; and (c) work activity projects which are designed to improve the employability of persons who have unusual difficulty in finding or retaining jobs or in undertaking job training.

Medicare

See notes above, under heading "Government Contribution Under the Hospital Insurance and Diagnostic Services Act".

Regional Economic Expansion Payments

This item pertains to a variety of economic development programs to promote regional economic activity provided by the federal government, e.g., the Economic Development Agreement and the Agricultural and Rural Development Act.

Bilingualism

These federal transfer payments are to promote, encourage, and assist the development and provision of education services in the language of the official language minority community in the Yukon as well as to provide opportunities for Canadians to learn their second official

language.

Payments to Yukon

This represents the operating grant received from the Department of Indian Affairs and Northern Development.

TABLE 16
SOURCES AND DISPOSITION OF PERSONAL INCOME

This Table summarizes the transactions of This category differs from the interest and miscellaneous investment income category in Table 1 in several respects. Dividend payments are included here, but in Table 1 such payments are a component of corporation profits before taxes. Interest on the public debt is included here as a source of personal income but not in Table 1. For Table 1 contains income to factors of production, and interest on the public debt is not classified as factor income but as a transfer payment. Moreover, the Table 1 category includes government investment income which is not a source of income to persons.

Current Transfers From Government

Transfers to persons from government consist of transfer payments to individuals and capital assistance to unincorporated businesses. For more details on the former, see Table 13, Government Transfer Payments to Persons. The latter is included in Table 14, Government Transfer Payments to Business, as capital assistance to unincorporated business.

Current Transfers From Corporations

Transfers from corporations to persons consist of charitable contributions from corporations to non-commercial institutions and corporation losses due to bad debts.

Current Transfers From Non-Residents

Transfers from non-residents (persons who reside outside Canada) consist of personal and institutional remittances and pensions received from abroad.

Personal Income

Personal income is the sum of: (a) wages, salaries, and supplementary labour income; (b) net income of non-farm unincorporated business, including rent; (c) interest, dividends, and miscellaneous investment income; and (d) current transfers to persons.

Direct Taxes

See notes to Table 9, Direct Taxes—Persons.

Other Transfers to Government

See Table 11, Other Current Transfers to Government From Persons, and accompanying notes.

Personal Disposable Income

Personal disposable income is equal to personal income less transfer payments from persons to government (mostly direct taxes).

Personal Expenditure on Goods and Services

See notes to Table 2, Gross Territorial Expenditure.

Current Transfers to Corporations

This category consists of interest paid on consumer debt (net of administrative costs). This non-productive portion of interest is regarded as a transfer payment and therefore excluded from personal income. The portion of interest paid on consumer debt which covers administrative expenses is included in the personal expenditure on goods and services category of this Table.

Current Transfers to Non-Residents

Transfers to non-residents includes personal and institutional remittances paid abroad.

Personal Saving

Personal saving is equal to that portion of personal disposable income left over after deducting personal expenditure on goods and services, transfers to corporations, and transfers to non-residents.